

**UNIVERSITY OF SWAZILAND**  
**FACULTY OF COMMERCE**  
**DEPARTMENT OF BUSINESS ADMINISTRATION**  
**MAIN EXAMINATION PAPER**  
**MAY 2015**

---

<b>TITLE OF PAPER</b>	<b>:</b>	<b>SERVICES MARKETING</b>
<b>COURSE CODE</b>	<b>:</b>	<b>BA 428 (I.D.E)</b>
<b>TIME ALLOWED</b>	<b>:</b>	<b>THREE (3) HOURS</b>

---

**INSTRUCTS :**

1. TOTAL NUMBER OF QUESTIONS IN THIS PAPER (6)
2. SECTION A IS COMPULSORY
3. ANSWER ANY THREE (3) QUESTIONS IN SECTION B
4. THE MARKS TO BE AWARDED FOR EACH QUESTION ARE INDICATED ALONG SIDE THE QUESTION.

**NOTE :**

**MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN ENGLISH, AND FOR ORDERLY AND NEAT PRESENTATION OF WORK. FURTHER MARKS WILL BE AWARDED FOR USE OF RELEVANT EXAMPLES.**

**SPECIAL REQUIREMENTS: NONE**

**THIS PAPER SHOULD NOT BE OPENED UNTIL PERMISSION TO DO SO HAS BEEN GRANTED BY THE INVIGILATOR.**

## **BAD SERVICE AFTER DIESEL BLUNDER ADDS FUEL TO IRE**

### **MOTORIST OUT OF POCKET THANKS TO BUCK - PASSING BY SHELL HONEYDEW**

AADILA Fakkier lives next door to a Shell petrol station but she'll never fill up there again. Instead she will inconvenience herself and drive further from her golf estate home when she needs fuel. Why? Because she feels the petrol station and brand let her down not once, but twice. The service station filled her tank with contaminated petrol, which led to R10 000 damage to her Mercedes Benz A170. It reneged on its promise to refund her, eventually ignoring her calls until, in desperation, she complained to me. It was only this week, more than two months after her car was repaired, that she was given an assurance that the bill would be paid by the end of this week.

Fakkier was one of nearly 30 motorists supplied with diesel tainted petrol at Shell Honeydew in Randburg on May 24. Her car was towed to Mercedes the next morning when it would not start. The petrol station admitted she and others had been given tainted petrol, asked for her repair bill and gave an undertaking she would be paid. But she was given the run around. When she complained to Shell head office, she was referred back to the petrol station. After persisting, she got an email a month later from Honeydew claiming it was still waiting on Shell, which was waiting on the tanker service alleged to have caused the contamination.

Fakkier was told there was a possibility Honeydew would have to go the legal route with Shell, which it said had uplifted R145 000 worth of tainted petrol and not replaced it. The Consumer Protection Act makes provision for consumers harmed by the supply of goods to claim against any party in the supply chain, without having to prove negligence. Most consumers wanting redress of this kind will naturally look first to the retailer as the direct supplier of good and not the distributor, importer or manufacturer.

Generally, good customer service would see a supplier settling directly with the consumer and sorting out the issue with his own suppliers separately. Fakkier's expectation that the petrol station refund her timeously, without waiting on third parties, was understandable. A few days after approaching Honeydew, I received an email saying my query had been forwarded to Shell, which would respond in "due course." When that response did not come and the service station did not reply to emails, I gave Honeydew one last opportunity to respond before publication. An email arrived a few hours later, apologising to Fakkier "for any inconvenience caused and the way the matter was handled."

"Unfortunately due to the nature of our claim, our insurance company and Shell had to do quite a big investigation before the matter could be finalised," said Honeydew spokeswoman Christelle le Roux. "I have just received confirmation that our claim should be finalised by end of this week whereby we are in a position to pay out everyone involved." I sent further queries to Le Roux but was again referred to Shell. A few days later, I received a legal threat from Shell Honeydew's lawyer, Robin Wheatley, who said any reference to his client would be "wrongful and defamatory" in that it would be intended and understood by readers that Honeydew was "dishonest, untrustworthy, without moral fibre and not law abiding."

“Our failure to address each and every allegation in the emails directed to our client should not be construed as an admission to the correctness thereof and our client reserves the right to respond to same at the appropriate forum,” said Wheatley. “Our client reserves the right to claim damages in the event its reputation is damaged.” Fakier is relieved she is going to be paid, but the damage has already been done. “I will not be using that garage again out of principle,” she said. “I understand that something like this can happen at any garage but the manner in which they dealt with it was terrible. I think if they had handled it better I would not have been so angry.” “The manager repeatedly promised to provide me with feedback every time I contacted him but never got back to me as promised.”

“Shell was also very unhelpful and just passed my complaint back to Honeydew.” “Its very disappointing that they expected their customers to carry the cost of what happened, by refusing to reimburse us until their claim was settled. As a business, they should carry the risk of incidents like this happening and not expect their customers to carry the risk.” Shell spokeswoman Dineo Pooe said on Wednesday that Fakier had been “compensated for the inconvenience” At the time of writing, however no money had been received by Fakier. Pooe said the case was still under investigation and Shell was unable to provide “accurate details.” “ From the initial findings it appears that about 3% of diesel was mixed with petrol at the retail site, [but] the cause is still not clear.”

“It is our policy to conduct all the necessary tests and determine facts before we reimburse customers, similar to how an assessor would deal with an insurance claim.” The chief executive of the Fuel Retailers Association, Reggie Sibiyi, said consumers had a right to compensation within reasonable time frames. He said although the starting point for a consumer was with the retailer, the service station was a franchisee and had the same claim against Shell if the wrong fuel had been put into its tanks.

If the contaminated source was identified, it should not take the franchisor weeks to resolve the matter.”I see no reason why Shell did not settle the matter after the retailer and the consumer reported it.” said Sibiyi.” “At the end of the day it is the Shell brand that will be damaged.”

The Power Report. Megan Power. Sunday Times. August 3, 2014.

## SECTION A

Q.1 Fakier will never fill up fuel at filling station nearest to her. Why?

(20 marks)

Q.2 In your opinion who should carry the responsibility in such cases, that is contaminated petrol sold to customers and why?

(10 marks)

Q.3 What would be the solution to this problem ?

(10 marks)

## SECTION B

Q.1 Service failures occur for many reasons, and bring about negative feelings and responses from customers. Discuss Group 1 failures with examples.

(20 marks)

Q.2 Discuss with relevant examples, why customers complain.

(20 marks)

Q.3 Why is customer retention so important today ? Discuss with examples.

(20 marks)

Q.4 Employee satisfaction and customer satisfaction are clearly related. Discuss the Service – Profit Chain with examples to illustrate this relationship.

(20 marks)

Q.5 One of the major issues in services marketing is the problem of queues and waiting time. With examples discuss four (4) types of waits.

(20 marks)